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ABSTRACT

County school districts in West Virginia are facing a funding crisis. Significant outmigration resulting in decreased school enrollment has caused the state legislature to change the state school aid formula, forcing school districts to lay off large numbers of low-seniority employees. The state legislature's perception that public schools are overstaffed, as well as insufficient property taxation and a statewide economic downturn make it unlikely that school funding will change in the next few years. Tables and graphs showing budget information, number of reductions because of layoffs, and administrator-to-student ratio comparisons are included. (8 references) (EJS)

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WEST VIRGINIA STATE BUDGETING FOR EDUCATION

American Education Research Association
Chicago, Illinois
April 5, 1991

Richard Meckley
West Virginia University

> Reality is with us again. It's budget time. The legislature is not able to adequately provide resources to staff the program they have required us to offer in the school system, it's just as plain and simple as that.
>
> Jack C. Dulaney
> Superintendent
> Monongalia County Schools
> West Virginia

County school districts in West Virginia are facing a funding crisis. Kanawha County, the largest school district in the state, is anticipating a $1 million dollar deficit for the current fiscal year.[1] Despite protestations and heavy lobbying by school administrators, the legislature continues on its path to force economies and reductions on county school districts, particularly through changes in the state school aid formula.

CURRENT (1990-91) FISCAL YEAR BUDGET

The 1990-91 fiscal year total state budget projected expenditures of 1.96 billion dollars. Of the total approximately 1.08 billion (55%) was allocated for public school education. Figure 1 shows the relative budgeted amounts by function. When higher education is taken into account, nearly seventy percent of the state budget is allocated to support education at all levels.

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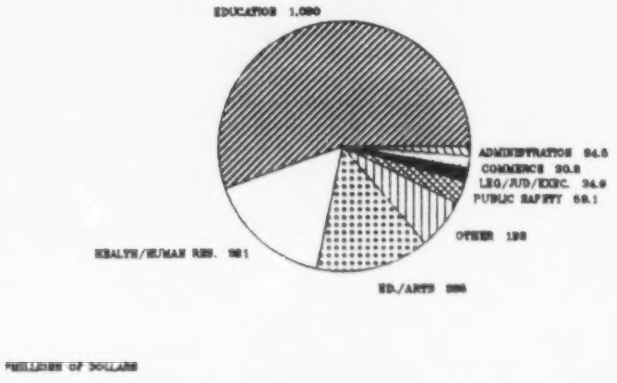
Figure 1
GENERAL REVENUE BUDGET*
WEST VIRGINIA 1990-91



Source: West Virginia Department of Education

As seen in Table 1, most of the 1.08 billion dollars allocated through the West Virginia Department of Education were distributed through the state aid to schools formula (1.02 billion).

Table 1
West Virginia Department of
Education Budget 1990-91

Account	Funds	% of Budget
State Department	19,692,330	1.82
Child Nutrition	1,903,285	.17
Vocational	13,755,164	1.27
Deaf and Blind	6,673,839	.63
Cedar Lakes	226,675	.03
Computers	3,520,000	.32
Salary Equity	3,520,000	.32
State Aid to Schools	**1,022,236,991**	**95.44**

Source: West Virginia Department of Education

It was the state aid to schools account that generated the most controversy. Certain changes were made in state allocations to professional and service personnel which were disconcerting to

school administrators. In effect, the changes informed county school districts that the state would not reimburse them for as many staff members as in the past.

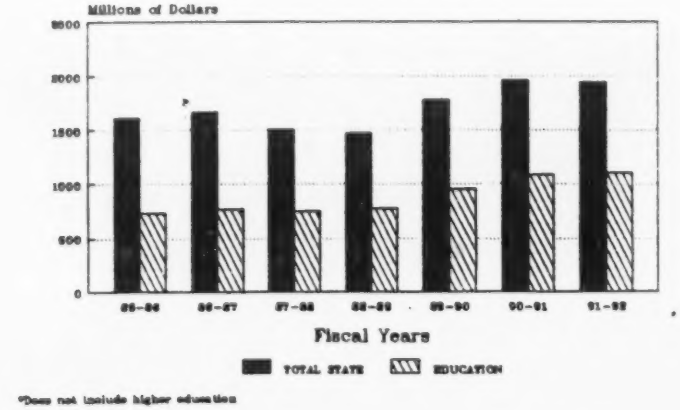
It appears at this writing that the state will be the beneficiary of up to a 40 million dollar surplus when the fiscal year ends on June 30, 1991.[2] The surplus, if it occurs, will not alleviate the need for the governor to borrow 50 million dollars from the Consolidated Pension Fund to cover commitments for 1991-92. The largest of these is a $1,000 teacher raise which will cost the state nearly 35 million dollars.[3] This raise is the second year installment of a three-year $5,000 teacher raise which was a result, in large part, to a state-wide illegal teacher strike in March, 1990. The influence of the strike on state budgeting is discussed in a later section of this paper.

PROJECTED (1991-92) FISCAL YEAR BUDGET

The West Virginia state budget for the 1992 fiscal year is for 1.94 billion dollars, slightly less than the 1991 fiscal year total. Public education's share of the total was $1.1 billion, a slight increase. (Figure 2)

The fiscal 1992 state education budget continues the upward trend of the past six fiscal years, 1988-91. This has been the case in the years when total state budget amounts have fallen.

Figure 2
TOTAL STATE AND DEPARTMENT
OF EDUCATION BUDGETS*



Source: West Virginia Department of Education

Although the education lobbies were quite active in the 1991 session of the state legislature, their impact was not manifested to a great extent in legislation. School administrators were especially disappointed in their failed attempt to substitute a "needs-based" school funding plan for the current foundation program. In their view the needs-based approach would target more equitably the money needed to carry out program mandates of the legislature and the state board of education.

BUDGETING INFLUENCES

Due to significant out migration of West Virginians, school enrollments have decreased correspondingly over the last few years. Current public school enrollment is 315,273 students, down from 359,016 in 1983-84, loss of over 43,000 students.[4] The state school aid formula provides funding in seven areas (e.g. professional salaries, transportation, etc.) with student enrollment being the dominant variable in determining the extent of state aid.

The legislature, firmly convinced that the state's schools are over staffed, has changed the formula to provide state reimbursement for fewer school employees, an action that has forced county districts to lay off large numbers employees with lesser seniority. It is estimated that county school districts will need to RIF over 900 teachers in order to stay within their 1991-92 budgets.[5] Actual figures for professional positions reduced in 1990-91 in the state and in Kanawha County, the state's largest school district are given in Table 2.

Table 2
REDUCTIONS IN PROFESSIONAL POSITIONS IN 1990-91
WEST VIRGINIA AND KANAWHA COUNTY

		ADMINISTRATION		
	Instruction	Building	Central Office	Total
West Virginia	450.08	45.79	86.28	582.15
Kanawha County	72.50	4.00	24.00	100.50

Source: West Virginia Department of Education

Changes in state school aid have been aimed particularly toward reducing administrative staffs, primarily in central offices. Many legislators share the opinion of vocal constituents who maintain central office administrators are overpaid and under worked.

A West Virginia Education Association survey taken in April, 1990 revealed that West Virginia's average teachers' pay of $22,842 ranks the state forty-ninth in the nation.[6] Since the state has debts of approximately 2 billion dollars and its tax revenues will not likely increase very much in the near future, many are of the opinion that the surest way to pay teachers more is to reduce their numbers.

Although there are mitigating factors (population sparsity, topography, etc.), when compared with neighboring states the ratio of teachers to students and of administrators per 1,000 students in highest in West Virginia. The data are shown in Table 3.

Table 3
RATIO OF TEACHERS TO STUDENTS AND ADMINISTRATORS PER 1,000 IN WEST VIRGINIA AND NEIGHBORING STATES

	Teacher - Student Ratio	Administrators per 1,000 Students
West Virginia	15.2	6.6
Kentucky	17.6	6.2
Ohio	17.4	5.2
Maryland	17.0	6.3
Pennsylvania	17.3	3.9
Virginia	16.3	4.0

Source: Herald Dispatch, Huntington, WV
and Charleston Daily Mail, March 27, 1990

There is no question that increasing the student-teacher ratio and lowering the number of administrators will save the state money. The question is: Will the money saved always be used to raise school personnel salaries?

The answer to the above question, if put to the West Virginia Education Association, would be a resounding yes. When the 1990 legislature failed to raise their salaries to their liking and with seeming intransigence on the part of the governor, the state's teachers engaged in an illegal strike. Despite the fact the state attorney general ruled the strike contrary to law and could result in teacher dismissals, the strike which began on March 7, 1990 resulted in the state school superintendent closing the schools on March 15 and 16.

This action by the state's teachers forced the governor to call a special session of the legislature in July of 1990. Teachers did get a raise of $5,000 over a three-year period. In order to fund the raise, the governor was authorized by the legislature to borrow up to 50 million dollars from the State Board of Investments Consolidated Pension Fund. State teachers have no intention of easing the pressure on the governor and legislature for higher salaries.

One reason that more pressure for education funding is applied at the state level is the somewhat unique taxing structure of West Virginia. Because local property tax rates are so low and with gross under assessment of real and personal properties, educators have had to rely heavily on state funding. The approximate distribution of county school district funding is 10 percent federal, 70 percent state, and 30 percent local.

Notwithstanding a state-wide property revaluation mandated by the legislature in its 1990 session local ability to increase budgets will not increase soon. To satisfy groups in opposition to tax increases, the legislature has capped the extent of revenue increases over a period of time. If property values are greatly enhanced, the legislature has the authority to lower rates levied by county school districts.

In summary, because of decreasing student enrollments, a perception that public schools are over staffed, unrealistic property taxation and economic decline, and despite the constant pressure of education lobbies, education's funding level is likely to stay relatively constant for the next few years.

However, things are not so bad when one compares the current state budget in West Virginia to those in some other states. While West Virginians may have a budget surplus of 40 million

dollars on June 30, 1991, it is reported that Florida may have a 1.2 billion dollar deficit, Texas may have a 6 billion dollar deficit, California may have a 7 billion dollar deficit, and New York may have a 10 billion dollar deficit.[7]

Another perhaps fortunate circumstance for West Virginia educators is that over one-fourth (28 of 100) of the members of the West Virginia House of Delegates are also educators.[8] In effect, it might be described as a built-in lobby to assure that whatever the size of the state budget, public education will be given particular attention, and perhaps preferential treatment.

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1 "Schools Can Count on '91 Budget Deficit", The Charleston Gazette, Charleston, WV, March 28, 1990.

2 "Lawmakers Approve Budget, Send to governor", The Charleston Gazette, Charleston, WV, March 19, 1991.

3 Ibid.

4 Bureau of Finance and Services, West Virginia Department of Education.

5 Ibid.

6 "There's Always the Apples", Dominion Post, Morgantown, WV, April 7, 1990.

7 David S. Broder, "Governor Utter 3 Little Words", Dominion Post, Morgantown, WV, January 6, 1991.

8 "Seiler: Pay Hike to Benefit Educators in House", The Charleston Gazette, Charleston, WV, March 19, 1991.